

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11
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HERITAGE HOME GROUP LLC, et al., : Case No. 18-11736 (KG)
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Debtors.¹ : Jointly Administered
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-----X **RE: Docket Nos. 217 & 322**

NOTICE OF PROPOSED SALE, BID PROCEDURES, AUCTION, AND SALE HEARING RELATED TO THE BROYHILL, THOMASVILLE, DREXEL, DREXEL HERITAGE, AND HENREDON BRANDS

PLEASE TAKE NOTICE that the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) on July 29, 2018 (the “Petition Date”).

PLEASE TAKE FURTHER NOTICE that, on August 31, 2018, the Debtors filed a motion [D.I. 217] (the “Sale Motion”)² seeking, among other things, (i) approval of bidding procedures (the “Bidding Procedures”) to govern the sale of the Debtors’ intellectual property and other assets related to the Debtors’ business of designing, manufacturing, sourcing, licensing, and selling home furnishings under the Broyhill, Thomasville, Drexel, Drexel Heritage, and Henredon brands (the “Non-Luxury Group”), (ii) scheduling dates to conduct (a) an auction (the “Auction”) to sell the Non-Luxury Group’s intellectual property assets (collectively, the “IP Assets”) and any other remaining assets (the “Non-IP Assets” and together with the IP Assets, the “Assets”) and (b) a hearing (the “Sale Hearing”) to consider final approval of the sale (the “Sale”) of any acquired Assets (collectively, the “Acquired Assets”) to HHG IPCo, LLC, as the Stalking Horse Bidder for the IP Assets, or to such other Successful Bidder(s) at the Auction, as determined in accordance with the Bidding Procedures.

PLEASE TAKE FURTHER NOTICE that, on September 25, 2018, the Bankruptcy Court entered an order [D.I. 322] (the “Bidding Procedures Order”), granting certain of the relief sought in the Sale Motion, including, among other things, approving (i) the Bidding Procedures, which were attached as Exhibit 2 to the Bidding Procedures Order and (ii) procedures for the assumption and assignment of contracts and leases in connection with the Sale (the “Assumption and Assignment Procedures”).

PLEASE TAKE FURTHER NOTICE that approval of the Sale of any Acquired Assets to the Stalking Horse Bidder or other Successful Bidder(s) may result in, among other things, the assumption, assignment, and/or transfer by the Debtors of certain executory contracts and unexpired leases. If you are counterparty to an executory contract or unexpired lease with the Debtors, you will receive a separate notice regarding the Assumption and Assignment Procedures that contains additional relevant dates and other information that may impact you as counterparty to such executory contract or unexpired lease.

PLEASE TAKE FURTHER NOTICE that all interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety. The deadline by which all Bids must be actually received is **5:00 p.m. (prevailing Eastern Time) on October 12, 2018** (the “Bid Deadline”).

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor’s tax identification number, as applicable, are: Heritage Home Group LLC (9506); HH Global II B.V. (0165); HH Group Holdings US, Inc. (7206); HHG Real Property LLC (3221); and HHG Global Designs LLC (1150). The Debtors’ corporate headquarters is located at 1925 Eastchester Drive, High Point, North Carolina 27265.

² Capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Motion.



Contact Persons for Parties Interested in Submitting a Bid

The Bidding Procedures set forth in detail the requirements for submitting a Qualified Bid, and any person interested in making an offer to purchase any Assets **must** comply with the Bidding Procedures. **Only Qualified Bids will be considered by the Debtors.** Any persons interested in making an offer to purchase any Assets should contact (i) the Debtors' investment banker: Houlihan Lokey Capital Inc., 111 S. Wacker Drive, 37th Floor, Chicago, Illinois 60606, Attn: Andrew Turnbull (aturnbull@hl.com) and Ryan Sandahl (rsandahl@hl.com); and the Debtors' special transactional counsel, Joseph A. Malfitano, PLLC, 747 Third Avenue, 2nd Floor, New York, New York 10017, Attn: Joseph A. Malfitano (jm@malfitanopartners.com).

Obtaining Additional Information

Copies of the Sale Motion and the Bidding Procedures Order, as well as all related exhibits, including the Asset Purchase Agreement and the Bidding Procedures, notice of Successful Bidder (when filed),³ and all other related documents filed with the Bankruptcy Court (collectively, the "Sale Documents") are available free of charge on the website of the Bankruptcy Court-appointed claims and noticing agent for the Chapter 11 Cases, Kurtzman Carson Consultants LLC ("KCC"), <http://www.kccllc.net/heritagehome>, under the "Sale Related Documents" tab. The Sale Documents also are available, free of charge, upon request to KCC (tel: 888-251-2954 (U.S./Canada) or 310-751-2614 (International); heritagehomeinfo@kccllc.com) or the Debtors (Michael Girello, paralegal, tel: 302-571-6600; fax: 302-571-1253; mgirello@ycst.com).

Important Dates and Deadlines

The dates and deadlines set forth below have been established pursuant to the Bidding Procedures Order.

1. The deadline to file an objection with the Bankruptcy Court to the entry of an order approving the Sale (the "Sale Order") and all objections related to the Stalking Horse Bidder (collectively, "Sale Objections") is **4:00 p.m. (prevailing Eastern Time) on October 16, 2018** (the "Sale Objection Deadline").
2. The deadline to submit a Qualified Bid is **5:00 p.m. (prevailing Eastern Time) on October 12, 2018**.
3. In the event that the Debtors timely receive a Qualified Bid in addition to the Qualified Bid of the Stalking Horse Bidder, the Debtors intend to conduct an Auction for the Assets. The Auction, if any, will be held at **10:00 a.m. (prevailing Eastern Time) on October 18, 2018** at the offices of counsel for the Debtors, Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street, Wilmington, Delaware 19801 (or such other place and time as the Debtors timely communicate to all entities entitled to attend the Auction). Creditors of the Debtors and representatives of the Office of the United States Trustee for the District of Delaware may attend the Auction if they send written notice by email to the Debtors' counsel (pmorgan@ycst.com, kenos@ycst.com, and jchapman@ycst.com) of their intention to attend the Auction on or before the Bid Deadline and in such notice identify the representatives who will attend on behalf of the creditor; *provided, however*, that the Debtors may limit the number of attendees per creditor to a reasonable number.
4. The deadline for objections to the conduct of the Auction and the terms of a Sale to a Successful Bidder other than the Stalking Horse Bidder (collectively, "Auction Objections") is **4:00 p.m. (prevailing Eastern Time) on October 22, 2018** (the "Auction Objection Deadline").

³ Within the earlier of (i) five business hours after conclusion of the Auction and (ii) noon the next business day after the conclusion of the Auction, the Debtors shall file on the docket and post on the Case Website under the "Sale Related Documents" tab a notice identifying the Successful Bidder.

5. A hearing (the “**Sale Hearing**”) to consider the Sale presently is scheduled to be held at **10:00 a.m. (prevailing Eastern Time) on October 23, 2018**, before the Honorable Kevin Gross, at the Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom No. 3, Wilmington, Delaware 19801. The Sale Hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by announcement of the adjournment in open court or by notice filed on the docket of the Chapter 11 Cases.

Filing Objections

Sale and Auction Objections, if any, must: (a) be in writing; (b) state with specificity the nature of such objection; (c) comply with the Bankruptcy Rules and the Local Rules; and (d) be filed with the Bankruptcy Court and served upon, so as to be **actually received** on or prior to the Sale Objection Deadline or the Auction Objection Deadline, as applicable, by the following parties: (i) counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Pauline K. Morgan, Esq. (pmorgan@ycst.com), Kenneth J. Enos, Esq. (kenos@ycst.com) and Jaime Luton Chapman, Esq. (jchapman@ycst.com); (ii) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801, Attn: Linda Richenderfer, Esq. (Linda.richenderfer@usdoj.gov); (iii) counsel to the Pre-Petition Agent and DIP Agent, Blank Rome LLP, 1201 North Market Street #800, Wilmington, Delaware 19801, Attn: Regina Kelbon, Esq. (kelbon@BlankRome.com) and Stanley B. Tarr, Esq. (Tarr@BlankRome.com); (iv) counsel to the Pre-Petition Term Agent, Cozen O’Connor, 1201 North Market Street, Suite 1001, Wilmington, Delaware 19801, Attn: Mark Felger, Esq. (mfelger@cozen.com) and Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn: Jeffrey D. Saferstein, Esq. (JSaferstein@paulweiss.com), Jacob A. Adlerstein, Esq. (JAdlerstein@paulweiss.com), and Sarah Harnett, Esq. (SHarnett@paulweiss.com); (v) the Stalking Horse Bidder, c/o Authentic Brands Group, 1411 Broadway, 4th Floor, New York, New York 10017 Attn: Jay Dubiner, General Counsel (JDubiner@abg-nyc.com), with copies to Cooley LLP, 1114 6th Avenue, #46, New York, New York 10036, Attn: Jay R. Indyke, Esq. (jindyke@cooley.com) and SB360 Capital Partners, LLC, 1010 Northern Boulevard, Great Neck, New York 11021, Attn: Robert Raskin (rraskin@sb360.com); and (vi) counsel to the Committee, Foley & Lardner LLP, 90 Park Avenue, New York, New York 10016, Attn: Richard J. Bernard, Esq. (rbernard@foley.com) and Leah M. Eisenberg, Esq. (leisenberg@foley.com), and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, Esq. (csamis@wtplaw.com), L. Katherine Good, Esq. (kgood@wtplaw.com), and Aaron H. Stulman, Esq. (astulman@wtplaw.com).

CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION:

ANY PARTY OR ENTITY WHO FAILS TO TIMELY FILE AND SERVE A SALE OBJECTION ON OR BEFORE THE SALE OBJECTION DEADLINE, OR RAISE AN AUCTION OBJECTION ON OR BEFORE THE AUCTION OBJECTION DEADLINE, IN ACCORDANCE WITH THE ENTERED BIDDING PROCEDURES ORDER MAY BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE TRANSFERRED ASSETS OF THE DEBTOR ESTATES FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS EFFECTED THEREUNDER.

Dated: September 26, 2018
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Shane M. Reil

Pauline K. Morgan (No. 3650)
Kenneth J. Enos (No. 4544)
Jaime Luton Chapman (No. 4936)
Ashley E. Jacobs (No. 5635)
Shane M. Reil (No. 6195)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

Counsel to the Debtors and Debtors in Possession